**UPL Capital Markets Day 2016 - Webcast recording**

Mr. Anand: Good Evening Ladies and gentle men. We welcome you to the UPL Capital Market Day. As you are aware this is an annual event where we share with you the quarter four results as well as the full year results. Let me start by introducing. We have in front of me, in the front row our Board of Directors, Our Chairman Mr. Rajju Shroff, Mr. Hardeep Singh, Dr. Reena Ramchandran, Jai Shroff. Let me also introduce you to the Panel who will be sharing the Dias with me. They will be presenting the performance and we will have a Q and A session after the presentation. So broadly Mr. Sagar Koushik and myself will share the financial results and performance for this year. After that Mr. Jai Shroff will take you through the UPL value proposition presentation. Mr. K. R. Shreyas Kan who heads our supply chain will take you through the global supply chain presentation. Mr. Sagar Koushik will again present on the global, he is the Global CEO and he will be talking about the marketing and the outlook. Then we have Mr. Bhupen Dubey with us, who as you must be aware has recently taken over as CEO for Advanta seeds. So Bhupen Dubey will share with us his views on Advanta seeds and what he thinks how he plans to shape up the seeds business as we move ahead.

 So let me tart with the financial results first. In fact before moving to the financial results or sharing the performance of the quarter as well as for the full year, I’d like to give you a brief overview of some key elements which have significantly influenced agriculture across the globe and in particular the crop production industry especially during the year 2015-16. Needless to mention 2015-16 has been a turbulent year. We saw a very high volatility in currency, weak agric commodity prices. I would say almost wild weather fluctuations; we saw some very erratic weather, increase in regulatory oversight. And some of these factors, probably we believe has lead to a lot of consolidation in the industry through MNA activities. UPL though continued to grow in this journey during this turbulent time and delivered exemplary performance, as I’ll share with you the numbers shortly. And this all happened essentially because of the unique business model coupled with some disciplined approach in terms of our internal policy and our continuous risk assessment. We mitigated the risk, the volatility in the currency through hedging policies which we strictly implemented cross the globe. Down trading due to weak agric commodity prices pushed up demand for branded generics, further our strategy to engage with the farmers also paid rich dividends. As regards, whether our balanced geographical presence and balanced portfolio negated the impact of the weather fluctuations. Strong local and global addressed the regulatory pressures in different geographies and consolidation in the industry is throwing of opportunities both for increasing the market share as well as acquisitions of products which could be made available to us. So while crop protection industry de-grew by about 9.6 percent, I am taking the calendar year because most of our peer groups, they have Jan to December numbers. But, as you see these peer group members de-grew from five to anywhere between five to twenty three percent and in this scenario despite all the odds, UPL grew by ten percent in the financial year 2015-16. And this is a growth in rupee terms. If you were to take it in volume terms we grew by eighteen percent.

So moving on to the financial numbers, our revenues, I’m first sharing the quarter numbers, our revenues at Rs. 4340 crores was up by 20 percent for the quarter as compared to the same quarter last year. Our gross margins at Rs. 1740 crores grew by 25 percent over that of the last year. Our Abita for Rs. 981 crores for the quarter grew by 25 percent over that of the last year. Abita as a percentage to sale was at 22.6 percent for the quarter as compared to 21.7 percent same quarters last year. An improvement of almost 90 basis point and profit after tax at Rs. 627 crores grew by 36 percent as compared to 460 crores of the previous year. Net profit for the period was Rs. 552 crores which grew by almost 25 percent over that of the previous year. This is the growth chart while we grew by 25 percent in volumes, 1 percent was due to price increases which we managed to get and the lost 6 percent on account of currency, thereby getting a net growth of 20 percent for the quarter.

This is income by the region. As you would see India, in tha last quarter we grew by 4 percent at Rs. 417 crores representing 10 percent of our revenues for the quarter, Latin America at Rs. 1428 crores represented 33 percent of our revenues and it grew by a whopping 57 percent over that of the same quarter last year. Europe at Rs.872 crores represented 20 percent of our revenues and it grew by 8 percent over that of the last year. Rest of the world at Rs. 652 crores represented 15 percent of our revenue and it grew, it was almost flat it didn’t, you know it didn’t see any significant growth there. In North America at Rs. 971 crores grew by thirteen percent. It represented 22 percent of our revenue. So overall growth was 20 percent and this is a break down region-wise.

Now we move on to the annual results, results for the full financial year. We close the year at about Rs. 13, 302 crores as compared to Rs.12, 091 crores in the previous year. A ten percent growth, again during the same period our volumes grew by seventeen percent. So despite a 10 percent growth in rupee terms, volume growth was seventeen percent and price growth was one percent. Abita at Rs. 2716 crores grew by 15 percent over that of the previous year and Abita as a percentage to sales was at 20.4 percent. This shows a growth of 90 basis point over that of the previous year. Profit after tax at Rs. 1421 crores grew by 20 percent over that of the previous year and profit as a percentage of sales was at 10.7 percent as compared to 9.8 percent last year, again a growth of 90 basis point, over that of the previous year. And net profit for the period was at Rs. 1299 crores, a growth of 14 percent over that of the previous year. The sales analysis in terms of the overall growth as I shared, it is 10 percent, however the volumes grew by 17 percent, price increase we could get by about one percent and we lost about 8 percent on currency, thereby giving us a net growth of 10 percent.

Income by region: India represents a Rs. 2713 crores, 20 percent of our overall income and a growth of 3 percent over that of the previous year. Latin America at Rs. 4252 represents 32 percent of our total revenues and a growth of twenty five percent over that of the previous year. Europe at Rs. 2035 represents 15 percent of our revenues and a growth of, it was flat, we dint grow actually we lost out there on currency. Rest of the world, Rs. 1810 crores which represents 14 percent f our revenue and a growth of 2 percent over that of the previous year, North America at Rs. 2492 represents 19 percent of our revenue at a growth of about 10 percent over that of the previous year. Our working capital, networking capital for this year has been 91 days as compared to 86 days of that of the last year. And that increase of five days is essentially coming from increase in data. Although as you would see on screen the data have, the receivables have gone up by almost 13 days. But we could offset a part of this increase in receivables by increasing our payables by almost eight days. So net effect is 5 days, our inventories are at the same levels as that of the previous year that is at 90 days.

This is the cash deployment, the cash that we generate out of operations, the PAT plus depreciation is at RS. 1923 crores and the same was utilised towards the working capital of Rs. 455 crores. Capex of Rs. 965 crores. Dividend off flow, this is dividend pertaining to previous year which is cashed out, we pay cash this year of Rs. 215 crores and others was Rs. 204 crores leaving the balance Rs. 84 crores available for investments and other activities.

So now I hand over to Mr. Sagar Koushik who will take you through each of the regions and share some of perspectives of some of the key highlights of each of the region.

Mr. Sagar Koushik: Thank You Anand! So I start with our home market India and India we all know that there was a very tough drought, many states were covered. However, we were able to en-cash some of the exceptional opportunities in the areas North of India, Punjab especially. There was a very high level of infestation which was a very often reported in the press, especially in the northern part of India. But we were lucky that our product, some brands were able to very nicely control the sucking insects especially the white fly. And that brought some good opportunity and for us and at the same time it is a distraction for the cotton growers. The performance with regard to our wheat herbicide where we are the leader in the north of India, we are expanding beyond Punjab, Haryana and Rajasthan towards UP and including Bihar. So we maintain our strong position with our brand at the same time we have a successful launch of another herbicide called “Shagun”. Overall the botanical usage has been affected in India and the liquidity has been pretty tight, especially because the market inventories or the channel inventories at the distributor level were quite high. I want to just mention to you that with the efforts of almost now 3 years we have the farmer’s digitally advisory centre, which we operate nationally at three places: One in Mumbai, another Vizag and third in Chandigarh. And there are more than 1 million farmers which are registered through this centre. We call it AKC and there is a constant communication from the morning till evening with our agronomists who are sitting and providing advice in the several areas of crop management to the farmers.

The demand is quite good and we understand what the farmers are asking and therefore we are in a better position to design the innovative solutions and also we are happy to provide these services even if they are not related to crop protection or seeds**.** Latin America we had a good position. We are able to grow up to 25 percent and especially in Mexico and Columbia which are our, really the fastest growing markets in Latin America beyond Brazil. We were able to establish the growth in our portfolio for rice business, fruits and vegetables. We are very happy that the acceptance of our fungicide portfolio in Brazil is now very well accepted in order provide the solution for resistant Asian rust which the significant disease on so in Brazil. We provide really a sustainable solution and that allows our brands especially UNICED to perform better and better every year.

Despite weak commodities, the soya bean area in Argentina as well as Brazil increased. That is also an upside for the UPL as we have very strong portfolio for this. I must also mention that the evaluation is also a very strong headwind for the farming. But on the other hand in markets like Argentina and Brazil the farmers became more competitive to the US farmers so they had the better advantage from the export stand point to China or the other countries. So therefore it was an advantage for these growers. The fruits and vegetables are often skipped because under the umbrella of commodity prices decline, we often forget to count that the prices of fruits and vegetables, they remain really strong. Because the processing industry is growing and the demand for the fruits and vegetables especially in the emerging markets is growing. So demand grows from both the angles and our portfolio does well there as well.

Overall we did face a significant reduction in the insecticide market in Brazil due to the alternate technologies, the BT technologies, the GM technologies which came on soya bean and it affected the Brazilian market as a whole. Europe markets relatively flat, but it was important to mention that we are able to position our organic portfolio for the increasing demand of organic farming in the southern countries of Europe which brings us a very good position and good growing position for that. Overall fungicide business was increasing in potato and also wine though there was a reduction in cereal crops.

Rest of the world for us is Asia, Africa and Middle-East, and I think we are still building our footprint especially in Africa. And there is a lot of new registrations in the countries we have obtained, which will allow us to us more, the footprint and bring the new products there. There is overall good extension of our portfolio on cotton, from the portfolio of India we are able to extend to Pakistan quite successfully. And overall we also see the opportunities coming to us with the trade embargo which is being relaxed as far as Iran is concerned where we had already good market share.

The Asia market didn’t perform well, especially South-East Asia, both the rainy season failed in Asia and the rice crop has suffered a lot. While in Turkey which is an important market for us, the market suffered because of un-timely frost and hailstorm that has damaged the citrus crop, also affected a couple of other, you know, strawberries and these berry crops and affecting the business. The North America good performance for us 10 percent growth and again the driver here is our portfolio, we are able to bring the lifeline which is our brand used for as the non-selective herbicide specially on the resistant weeds which are resistant to glyfocate and lifeline is glufocinate. So therefore this is a very strong alternative to control the resistant weeds which are growing and so as the, we were happy to achieve our expectation with the lifeline. The other pre-emergent herbicide brands like, it is our third year and the product grows within our expectations and we are very happy for the continuous growth of our herbicide portfolio in the United States and Canada. We face quite competitive pressure with regard to price within the non-selective herbicide. And nevertheless this, with the price competition, the potential for the use of the product gets more and more unlocked which is in the long term the acceptance of the new technologies of alternate products is high.

Fungicide dint go up because overall there was not the best situation for the crops. The western part of the US remains dry and in the Mid-west was a very flood situation. And there were dry situations in the South-East part of the US. And the rice and the cotton area as a whole got declined, that also affected our sales because we are a significant player in the rice in the US. And also we participate reasonably well in the cotton crop of the United States. With this I like to hand over to Jai.

Mr. Jai: Thanks Sagar! So as briefed by, first of all welcome everybody and thank you for spending you time today to be with us. We are quite excited by our performance in a very challenging year. So as Anand mentioned our revenues are by 10 percent, Abita at 20.4 percent, our profit PAT is up 14 percent and return on capital is up to 20.07 percent.

 I would just like to share with you very briefly bout what is different with UPL and how we are trying to really take our business forward. UPL has certain key DNAs which are helping us to grow in very challenging times. As mentioned by Anand, the year has been very challenging for the industry, the commodity prices have been fluctuating, and weather patterns have been erratic and in spite of this UPL have been able to grow. In a year like this is where a company which is really focussed on risk management, we are able to show the differentiation between us and the other companies. We have really been focussed on balanced portfolio.

 Our focus on supply chain, we invest far more money than most of our competitors in a manufacturing expertise and I believe that we have, we are probably the best in class in building a additional plan capacity and also being able to deliver goods around the world. We are currently setting up two additional manufacturing facilities, one in the US and in planning stage in Brazil. We are expanding manufacturing capacities in India and in existing plants across the world to meet the demand for our growth. Even today we are in a envious position where we are short of many of our key molecules so we need to really expand capacity so capex will continue to happen going forward.

 The other strength of UPL is our portfolio. We are constantly, we are about to launch batters gold which is an exciting new insecticide for the Brazilian market. We have, it is an innovative product. We are actually launching one or two innovative new products in each market around the world, in each key market around the world. We have and all these products are differentiated and also have some proprietary technologies so we can patent it. We have a whole portfolio of adjacent technologies, earlier on you saw that we are in the launch process for UPTT. We believe that this is one of the most exciting climate semantic technologies which for agriculture. We think it’s going to make a huge impact change to farmers particularly because of climate change because it also helps in terms of a stress management, nutrient management.

 We are looking at data and I’m sure soon Naveen who heads this business will share with you and another presentation. But not today, I don’t think, that we can reduce nutrient by 50 percent, water consumption by 25 percent and get yield increases. This is a tremendous technology and we are very excited with the potential of that. UPL has applied for 19 patents over the last two years. 34 patents pending, we have 14 products launched globally in the last two years. 11 products just launched in just 2015-16 around the world. We have adjacent technologies and you’ll be pleased to know that UPL is one of the largest manufactures of organically approved chemicals which we produce in India, in Europe and sell all over the world. We have a portfolio of biological products. We have biological nutrients, bio-stimulants and organic formulations. We have 21 products in the pipeline. We have, and I talked a little bit about the UPTT technology which is branded as Zeba which we believe will reduce the cost for farmer, reduce the risk for the farmer, improve his yield and improve his profitability.

 One of the, as UPL has progressed from being a really industrial company in the 80’s and 90’s where we supplied active ingredients to other companies, we have focussed over the last ten, fifteen years to become a branded company. Today I am very pleased to say that almost 80 percent of our business comes from branded sales. What do, where do we go next? Our whole focus of UPL over the next ten years is a growth of branded business but also be very close to our customers, farmers and really have some kind of engagement with the farmers where we have, we understand their needs and help them. So globally UPL is focussing on building close relationships with the farmers and farming companies. We are trying to understand the farmer’s challenges and bring technologies to really meet those challenges. So we have an existing portfolio where we are working with them and now we are seeing what other technologies we can bring and how we can help the farmers to help bring the productivity and this brings, the relationship much stronger and we believe this will help us to grow and keep our existing customers very loyal. We have, we are working with big Brazilian farmers to understand their risks and see how we can reduce their risks by helping them with their cropping strategies. We have, as Sagar mentioned we have the Kissan, the AKC which is the call centre where we are engaging directly with the famers and we are very surprised and impressed that we get about 50,000 to 60,000 inbound calls a day where farmers are really interested in learning more and we are training these people and this platform we converted into an app based application which will become very intuitive to the farmer as technology is available to the famers.

 We are working in Africa with NGOs to build value chains for farmers. So we are working on a very exciting project where we are helping farmers who are not able to get good value for their crops together with other input companies, financial institutions, NGOs to help them connect to the value chain. So how do we increase their profitability? This is a very large project and the total investment will be not directly from UPL but from the other organizations of the billion dollars. We are implementing a Productivity tool so as UPL grows we are looking at how we can improve productivity for all our operations and this is a huge big focus. Part of the framer engagement program we have launched AFS – Adarsh Farm Services, which is really helping the farmers, we believe that the value proposition to the farmer is incredible. And when we interview the farmers who have signed on the Adarsh Farm Services, they are finding it absolutely exciting and we are seeing a forex growth a year in this platform and we are able to help him to really improve his profitability by almost sometimes by 30 percent. Sometimes the farmers are saying they are able to swap to crops which are more profitable which they couldn’t do without the technology which we are offering.

 We have invested last year in a company called Synagro. Synagro also really engages with a segment in Brazil which is a small farmer. A small farmer in Brazil is classified as 4000 hectares and Synagro brings us a very close association with these farmers where Synagro really offers them services for, to help them to compete with the large farmers. So they act as an organization which helps them to amortize the cost of infrastructure together and so they can really be able to be competitive. With that I’m done. I don’t know who is next and so UPL we believe we are well positioned to continue to grow. We believe that next year and in spite of weather challenges and climate challenges and currency challenges we believe that UPL will continue to grow. And this whole challenging environment where there is so much consolidation is a fantastic opportunity where we believe that we are UPL team is very focussed on growing market share. And almost in every market we are present we believe that in 2016-17, 2017-18 we will continue to gain market share.

 Yes. So I’ll invite Mr. Srivatsa to talk.

Mr. Srivatsa: Good evening! I’ll take up through the supply chain portion. There are four areas I intend to cover. One is manufacturing which has been one of our core strengths. And in a year where many companies have either reduced their manufacturing investments or postponed to future years because of the decrease in market, UPL has continued to invest and this has been one of our core strengths in UPL. First improvements have been another major factor in which UPL has always been working on and I’ll take you through the major drivers in cost improvement. UPL has worked continuously on sustainability and reliability and then this has helped us in being the consistent and sustaining us in the supplies and in getting a good position in manufacturing.

 I also take you all through some of the major awards and recognitions that the manufacturing sides have got in the last twelve months. What has happened! So in manufacturing we set up new plants both in technical and formulation. And this we have done in normally in India but across various geographies.. The major areas where we set up plants have been fungicide plants that we have set up, insecticide capacity enhancements, herbicide capacity enhancements and formulation capacities. We set up fungicide capacities in India, in France and in Columbia and in the last year the capacities have gone by almost 60 percent. And in the current year we have planned to double our capacities in some of the areas, in some of the major fungicides.

 Insecticides the major plants that we have set up are in India and the capacities have gone up by 10 percent in the current year. And we intend to continue investing in insecticide capacity in the coming year. In herbicide the capacity expansions which have been done have been largely in India which has helped us to increase our capacity by almost 40 percent. And we intend to almost double our capacities in the next 12 months. Formulation capacities we have increased significantly and the two major areas where we in invest in formulations are in the more highly value added areas. We have increased our herbicide encapsulation capacities by almost 200 percent. The granulation capacities for both insecticides and herbicides, we have increased by 300 percent. We have set up new formulation plaints in Jammu in India. And we are in the process of setting up plants in Rota dam by increasing capacity in Brazil and as mentioned by Jai we have taken up new site in US where we will be setting up a full formulation facility. Our ail in all this is to be closer to the customer and to be able to have a faster response and to be able to service the customer much better

 Cost improvement has been one of the major areas in which the manufacturing has been able to provide strength to the company. The major drivers that are there: the first two are improving technologies and yield improvement. We work in these areas through working on chemistries. We also work on process intensification and we also do a lot on batch to continuous processes. This helps in getting our consumption coefficients better year after year and help us to maintain a strong cost position of all the products that we manufacture. The batch to continuous manufacture also helps us in our energy initiatives and we have a dedicate team of energy experts who work round the year in finding out multiple initiatives which we implement across all our sites. Procurement strategic tie ups have also helped UPL in a big way. We have done strategic tie ups for many of our major products and this has provided two major strengths to UPL. One is that we have reliability of supplies. These are long-term tie ups and it provides us cost advantage compared to competition on a sustainable basis, also the inventory because we have a manufacturing plant in multiple locations and because of our focus in manufacturing we are able to alter our manufacturing plants depending on the volatility of the demand. So it helps us to maintain our inventories whereas many companies who have to do tolling or who are dependent on others have to plan the inventories much in advance and then if there are fluctuations in the market it becomes extremely difficult to correct the inventories. The two major areas that we work in sustainability and reliability are in safety and in environment.

 In 51 of the major areas that have been a cause of concern has been fresh contractors who keep joining us and we have focussed on training them. There are three levels of training that we impart to them and we make sure that each of this contractors are fully trained before they go into the plant. This has helped in the behavioural basis safety that we have implemented in all our factories. We have also implemented valuable standards in all of our plants. There are five or six areas of invaluable standards that we have implemented in the areas where we found that was most important and most relevant to safety. What this has done is, that it has improved our total recordable frequency rate, what is called as TRFR and the international bench mark is 0.4, last year we were at 0.47 and this year in all our sites we are at 0.39. So we are at the international benchmark in safety.

 During the last 12 months we have also implemented phase II capex and process hazard analysis. In the previous year that is in 2014-15, we implemented phase I capexus, and in the last 12 months we implemented the phase II capexus. What the phase II capexus has done is that it has improved our safety rating in process hazards from 93 percent to 98 percent and this is again very close to industry bench mark. I think what all this action has done is that it shows our commitment towards safety and it also helps us to be sustainable and reliable in our supplies to the market. In environment I of the guiding principles that we have always followed is to be beyond the statutory norms in implementation in all our sites. Just to give you an example, in Vapi the norm that is set for the Liquid Chemical Oxygen demand, the COD is 1000 ppm. And we have consistently maintained below 200 ppm in our Vapi plant. In the last 12 months we have done a lot of work on water conservation. This is processed water and we have developed methods by which we are able to re-cycle almost 60 percent of the processed water that we use. This has helped us to conserve water in our manufacturing and has also helped us to improve our costs. One of the causes that we are dedicated, that we are working on is to get all our synthesis sites to zero liquid discharge sites. Earlier a few years back our Ankleshwar unit II we had converted to a zero liquid discharge site; in the next 12 months we will be working to convert our Halol site to a zero liquid discharge site. We believe this is a very important step and its direction, it’s not a requirement of the government, but we are doing this because we believe, this gives us a significant advantage in getting our approvals and in getting our capacity expansions.

 In the last 12 months we have also set up facilities to convert a lot of our waste which was going to the waste disposal site, we are converting it to value added products. So we are cleaning up these wastes and converting it into good products which go to various industries. So we have been supplying this to paper industry, to tannery industry and to detergent industry and to multiple other industries. Besides reducing the waste it also helps in providing value added products. The two areas that this majorly helps us, is in getting reliability of our supplies because we are able to work continuously where as many other companies have difficulties in environment where they have changes to make. And second area is that in terms of expansion and approvals, this facilitates us to get faster approvals from the statutory authorities.

 I will take you all through some of the awards and recognitions that our factories have got in the last 12 months. Our Baranquilla factory in Colombia, it won the Emerald cross category excellence award. This is the companies, this is awarded to the best company in the country and typically Shell was getting this award and it is matter of great pride that our factory in Colombia won this award last year. Our Rotterdam factory was recommended for the national business success award and this is just a few months back, that the Rotterdam plant has been recommended for the National Success Business award, in chemical sector. The Vietnam plant has won many awards. It has been awarded by the national, it has won the national award for EHS and it has been declared as a model factory and it has been used by the Vietnam government to encourage people to copy our plant in terms of EHS systems and in terms of 5s implementation. Our plants in India, the Jammu plant, it won the Golden Peacock award for safety and the National safety council of India also gave it a safety award. The IMEA which is the Indian Manufacturer Excellence Award, this is for green manufacturing was given to our Ankleshwar Unit I and a Gold award was given to our Ankleshwar Unit III. These are our major awards. Thank you! Mr. Koushik.

Mr. Koushik: Welcome! So I am back again. My presentation would cover the portfolio areas and how we engage with the farmers and how the differentiated approach we have with regard to the going to the market. But before I start these portfolio topics I’d like to give you just the highlights with regards to the market for 2015 which is the calendar year 2015. And it is already mentioned that the total market in terms of dollar terms internationally, global market got declined by 9.6 percent and the result was all the head wins pertaining to the weather condition or the declining commodity prices and including the volatility of the currencies, all there has actually affected the market and especially the dollar getting source from, that attracted the total market and it declined to now 9.6 percent. The, some benefit was there with regard to the Latin American and the Brazilian farmers because they were able to export better. But at the end of it, we still find end of 2015 the stock level of the commodities is still high except for cotton and rice. So in general the commodity prices will remain at the lower level that is the outlook for even the 2016 calendar year.

 Now this scenario is the global scenario. Does this entire scenario is applicable to UPL? Answer is yes. But within there, there are segments where we think that there is advantage UPL. and the very fact that when the head wins were against the global market conditions, UPL could withstand the pressure of the declined prices of the commodities, the bad weather, unfavourable weather. So all these aspects, we were able to withstand and still the company has grown by 18 percent on the constant exchange rate basis. So our portfolio is relatively drought proof. Our currencies have been well hedged together. So I think there are some inherent factors which have been built in UPL and that overall advantage UPL.

 Now the second part, it is important to mention that the markets which grow faster are the emerging markets including Brazil. And we happen to be the young player. We are not at this stage that we are mature that the total impact of the market is really affecting that player, but we are young, young means our portfolio is new, young means that our market print is still there is lot of opportunities to grow. So in terms of the people, I think, overall investment opportunities for us in these markets is high and we believe there is an advantage because we are a young player. The growth of our portfolio, the development of the new portfolio globally and also in the emerging markets is very strong and even if the weather is unfavourable or there are currency effects, but one thing is pretty common, is that the farmers they love new products, they want to get the new solutions and the acceptance of these products are good. So our strong pipeline will also bring the advantage. And finally it is very important to re-emphasise that the resistance management portfolio, be it for the resistance weeds, be it for the resistance diseases, I think the portfolio of UPL is pretty strong and that brings really advantage to UPL that we have the portfolio that grows because the resistance areas and the resistance crops, they are increasing many folds especially in America’s, including North America, Argentina and Brazil.

 The other factors in terms of outlook for 2017 the recovery of cotton and rice; here also UPL is a very strong player in cotton in India. We are a strong player also participate pretty well with our portfolio in the United States. And this crop is going to recover in 2016 calendar year and the same thing is expected to happen for rice. Now the rice area recovers in United States, the crop is a small crop in the US, rice. But we are really somebody there with very high market shares so we will benefit for that. Fruits and vegetables market will be quite significant in the emerging markets of Latin America and Asia. And we see this market will still have good growth and the current seed evaluations supporting the Brazilian and the Argentinean growers to put them into a better competitive situation. Overall we do expect with the so far announcements of the monsoons that the India market, if it recovers, that will be a significant progress for the whole industry and also for us in India.

 Now generally, I think the way I will communicate that how we are different than the rest of industry. And so look at this portfolio with regard to the agriculture value chain. So generally we find that the people, the competitors, our peers are much more present into the classical segments of seed treatment, herbicide, insecticide and fungicide. But approach to this portfolio is to look at this entire agriculture value chain. So now we really start from the soil management. How can we address the soil? How could we have the technologies that could improve the soil management? And then not only going up to the harvest but the post harvest regards to the food grains and also with regards to the fresh fruits and vegetables. So therefore the agriculture value chain, be it for the staple crops or the staple food or for the fresh fruits, so UPL address right from the soil to the post harvest. And that’s the difference we have with our peers. That is one significant difference I would mention. Now the way we work in terms of the innovative solutions is to look at the crop. So we work for the rice crop solution as a model. And we have the 100 percent subsidiary rice Co., which is based out of Memphis in the United States. And Rice Co., they work with the portfolio for all the four important critical stages of the crop, starting from the seed to the seedling and then the flowering and the reproductive stage and the maturity. At each of the crop cycle, part of the crop cycle we have the portfolio to provide the solutions to the grower, for the big growers of the Americas, Latin Americas or the US and of course the small growers in India, South Asia and also Africa.

 Now this is just the model in which the product development, the RND work etc is done but this is also true for the other crops like soya bean. And this is one picture where you see that the resistance weed is on my left hand side. You see the crop which is full of resistance weeds. And these are not grasses. These are the broadly weeds which are so difficult to control by the famous herbicide Glyfocate. And therefore the alternatives are sort by the growers and in the bottom you could see our six important brands which are globally used to address this resistance issue satisfactorily by the farmers and this portfolio is growing.

 So we also participate in a very important segment in the United States which is the aquatic segment, especially in the water bodies and the water streams etc and you can see that the aquatic weeds, they can create so much of resistance for the flow of these streams and our technologies are helping to clean up these aquatic weeds for a smooth functioning of the water bodies and the water streams. Wee the largest player in terms of the production, in terms of the marketing and in terms of overall Stuart ship of product Lancashire. And you see here the list of the fungus. There are 66 fungus which are resistant to, like Benzimetadazole chemistry and 36 fungus to Triazoles. So like that you have almost 130 or 140 fungus which are resistant to the alternate fungicides which are available or which are sold in the market. But this resistance fungus can be easily addressed by a multi-site fungicide because for the cell via logy there are different parts of the cell via logy where the resistance can appear. But if it is a multisite it can take, it works like inducing the resistance in the plant. And therefore the fungus will actually either will be completely killed or prevented. So that is what Mancozeb does and the use of Mancozeb is really getting much more unlocked in the past in the field crops.

 Now looking at the portfolio is also important that in terms of innovation we also create the new segments. And for example what you see the soil, soil is the new segment we try to create and therefore once you create the segment I think it is your marketing opportunity and you can establish yourself with your portfolio. First we have very specific portfolio on how to address the soil from the stimulants point of view and also mitigating the drought situation there which I will touch sure later. And there is seed treatment and the mix of the adjacent technologies as the segments. So part of the portfolio we have been able to carve out and specially in Europe the organic portfolio which is addressing to the increasing demand for the organic food. And these are our three products, Microthiol, which is based on the sulphur and the Cuprofix and the family of the Cuprofix products are based on copper. They are all produced in Europe, in France and Sterameal is very much on the plantation crops growing in India. So UPL is now the biggest player to service the organic farming in markets of Europe. New technologies with regard to vector control, we have Natular as a new product. It is the registration, is on its way.

 Maybe a matter of few months and then we are able to offer to India, Asia and some of the Africa parts a product that can control the Larvae for the mosquito which spreads tha malaria and the other contagious diseases. So and this product is a larvicide and this is a tablet of 60 grams which is to be put in 60 litres of water, you get control for 60 days and the water is portable, if it was portable before the application of the tablet. So it is really a fantastic new technology and sustainable technology for future. We also have alternate product to handle the vector control segment. The adjacent technologies there referred already about ZEBA and he gave certain advantage of it, I don’t want to repeat. But very specifically if you look at the benefits of ZEBA, it is either on the how to improve the income for the farmer and at the same time the stewardship and addressing the environment at the same time, keeping the environment even more healthy. In terms of the income the yield increase takes place because the plant does not go through the stress situation at the time of germination at the first 60 days of the crop. And if there is no stress during this period it would represent into the higher yield for the farmers.

 Similarly the cost reduction by optimizing the use of fertilizers and nutrients on the environment side, if you are able to conserve water, if you are also able manage that the volatile gases are not formed out of nitrogen. So therefore you don’t form more of the nitrous oxide coming out of the soil, at the same time the leeching potential gets narrowed down for the nutrients especially the mobile nutrient like nitrogen. These are the pictures right taken in the field and you could see that ZEBA treated potatoes are giving 9 percent more yield. And 9 percent more yield in those areas where the productivity is already closer to 30 tonnes. So this is a huge advantage here and at the same time you see the size of the tubers are much more bigger in the potatoes which were treated with Zeba. Not only potatoes we have the similar advantages and even better advantages in onion, 16 percent yield increase and tomatoes and so these are specific to Zeba. Now it’s important from the portfolio point of view to keeping our innovation rate at the level of 15 percent which we have targeted. And I am pleased to inform this year, we will touch 15 percent innovation rate, which means the 15 percent of our total turnover during this year. FY-2017 is expected to be from the new products. And indirectly every five to six years we will be able to completely rejuvenate our portfolio into a new portfolio.

 So farmer engagement, how do we have our feet more in the ground closer to the farmers. We talked about the farmer’s engagement via the Adarsh Kisaan Center and farmers needs the timely advice to support their crops. Farmers also need the services with regard to more accurate and better technologies with regard to the application of products. And in both areas in the last two years UPL has taken very strong steps, very innovative steps to be more closer to the farmers in providing the service when they need it. These are some of the pictures of our trained agents who are sitting in the advisory centres of the three locations in India. Further farmers engagement via the activities besides AKC, like the Unimarks we have the actually the retail counters, sort of a modern retail counters which also helps the other retailers to get the knowledge from here.

 Now it’s also important that how we are different in many markets in terms of distribution of our product or our go-to market approach. I am just giving an example of India first and normally a classical company, crop Protection Company in India would have the manufacturing setup, has a set of the distributors, 2000-3000 distributors and with a span of control of 25 retailers to a distributor. But UPL does differently. So UPL has actually the UPL outfit for the distribution, which is we call Agro Formulation and we have the SWAL corporation which is vertically different, a second line of distribution. And they work with their own visions and the policies with regard to the distribution. And then we have the Agro Tech and they are having very strong support in service provided with the products to the national formulators. And we provide the fumigation services for the food as well as to the processes like Pepsi or McCane. Now you can see that India being such a vast territory we are able to cover with our UPL Agro Formulation and SWAL almost 8000. We are able to cover 8000 distributors. And if the span of control of 25 is right, so we go almost up to 200,000 retailers. And therefore we are really creating a good span of control that we are able to flow our products when they are in demand, when they are needed and well connected through the farmer’s engagement as well. So these are the pictures of the fumigation services, it’s not the product it’s basically the service we provide.

 Actually it comes out to the user much cheaper than buying the product and then service it and buying the service separately rather it’s an efficient way to take over the problem of the customer or the user. So this is the Go-down where the foods is stored, either FCI or the Central warehouses corporation etc. So this is how the food grains, at the same time if we run the trust plus programme in some of the banana growing areas of Latin America. This is the picture of Costa-Rica and where we do not supply the products; rather we provide the technical services which are really made through very technological evidences. Sit with the farmers and we say, “well out of the 50 sprays in a year, which spray should be run at what point of time.” And at the same time we provide the aviation services to the farmers so that the defect of the product is really predictable and the growers are happy with the services and not just with the product.

 So these are the Urja Technologies which are more globally used for the potato, specially by the processing industry to avoid that there is no roots coming out, etc out of the potatoes and it prevents that and the value and the quality of potato is well maintained, which is very helpful for the processing industry. There is absolutely no sprouting takes place for potato. So again a difference I wanted to present compared to last year, we showed about how we synthesise within the R&D, several chemistries. How do we dwell up the new products and the mixtures? But this time we are going further down that we have established the innovation centre in Brazil in 70 hectare, where we are able to test our new products, our new formulations, and our new mixtures. We are able to do the bio-efficacy test ourselves. We are able to then actually dwell up the formulation there, so it’s really a very integrated R&D centre in Brazil. And at the same time in India, we have opened up a field trial station which is for the development of the international portfolio of the new products and the formulations. So with this I would like to hand over to Bhupen to address with regard to Advanta.

Mr. Bhupen: Thank you Sagar – Good afternoon. Moving from Agro Chemical to seed, I think bare essential of agriculture as we know are three. For agriculture you need soil – essential number one. Another essential is the water and these two are given and to begin agriculture, third essential is the seed. So out of three essentials seed is an interesting business and UPL group decided to embark on it in 2006. From then onward, in the journey of 12 – 13 years we have really covered miles. I would like to take you through about 7 or 8 slides of the journey so far and our thinking going forward. Who are we? We are a global agriculture seed and technology company, like UPL, Advanta also food print is global to begin with. Advanta is committed to promoting sustainable agriculture through innovative research and technology, where R&D is the core. Providing farmers with quality seeds and technology to enhance the crop value and bring prosperity to the farming families. These are our Advanta brands, globally as some of you are aware; Advanta brand is available in Southern Hemisphere and a couple of other Geography, same group had different brands, like North America is – Ulta Seeds, Australia and Thailand – Pacific seeds. Golden seed is a company we bought, which are basically vegetable seeds. Vereda seeds is basically Brazil in Soya been flag. So these are the names which have a lot of brand equity and therefore we decided to continue with it because farmers connect with those brands. Where you can find us, Advanta. This is the metrics which indicates geography and the core crops we are focussed on Forages – You are aware that the dairy industry is flourishing around the world, more so in Asia and India is a vibrant sector. Forages are providing us seed which are really providing nutrient to the cattle’s. We are active with this portfolio in India, America, Australia, Europe, Africa. In corn we are operating both the segment, temperate corn as well as tropical corn. And geographically we are focused on Asia, Africa, South and North America, Australia and Europe. Rice pre-dominantly is Asian’s crop. And our portfolio is currently focussed primarily on India and a little small business we began in Vietnam and Indonesia. Then we are into vegetables, again India and sub-continents, surrounding area. Wheat we are into Australia, primarily. Canola, Grain sour grams, sunflower and Soya bean we just began couple of year back our R&D and now commercially launch as we speak, this week we are going to launch our formal Soya bean branch in Brazil.

 Look at micro events which are impacting agriculture and thereby to seeds sector. Increasing global demand for crop production and food shortages we all are aware about this. Lot of economists are talking about. By 2030 we need to increase our agriculture output by atleast 50 percent. Huge challenge for us and therefore we believe that long-term growth opportunities are immense in the seed sector. Drought, water and disease constraint as you heard in Sagar’s presentation earlier, the challenges agriculture is facing, we see this is an opportunity from seed angle to develop drought tolerant hybrid. And we have the Germplasm capable of delivering that kind of hybrids going forward. Digital capabilities and technological development, I think this is a fascinating era we are all live in. I always believe that, I mean we are nearly 7.5 billion heads, human heads on earth and out of that nearly 4 billion humans are connected electronically via smart phones and phones and what not and therefore it is an important opportunity for us to develop the technology platforms to connect with the customer directly.

 We already started an initiative in UPL as Sagar indicated via our digital connect program we intend to extend the program to Advanta seed farmers also. Government and regulatory changes are happening because many aware groups’ especially urban societies are demanding what they should have and should not have in their plate. And this is really tightening the regulatory system around the world and we are trying to align our self to the pressure points that are coming out of this. Volatility on commodity prices, currency movements and weather patterns, I think the entire thing there is, somebody has nicely derived an acronym called WUKA world. We live in a WUKA world that means, coming month is totally different from the previous month, and there is no comparison. So therefore management team which are really aware about and develop the management system to handle these kinds of challenges can really tackle these kinds of situations. This required diversified Germplasm, mix impact on the seed prices and the trade values.

 Core business growth engines in Advanta: there are four. Customer centricity, we are there in many geographies, some geographies we are yet not there, but that is going to be the core going forward. Collaboration and partnership, a seed industry today around the world is about 42 billion dollars, we believe that it is a potential to go about 65 to 70 billion dollars going forward. And in this our own RND is not enough and therefore our approach is to collaborate to partner wherever we are like-minded and compliment our possibilities available. Focus product portfolio, differentiation through innovation are the four core growth engines which we are going to focus on.

 Customer centricity, I mean understanding, when you are closer to the customer you develop insights and those insights lead to direction for our RND. As I explained to you dairy industry, India has the largest output of dairy. Some of you are aware; India produces almost 140 million litres of milk in a year, highest in the world and growing. Despite the fact that if you don’t really grow at the rate of 3 to 4 percent per annum while on a 20, 25 or so experts see that we might have to import milk despite that fact because we need to produce from the current level of 140 million litres to 200 million litres of milk. This requires dairy industry to be more professionalized. In India currently about 10 head counts to 10, 000 head counts is the range of dairy. And many states like Gujarat is advanced you know but Punjab, Haryana, UP, Andhra Pradesh is taking a lot of lead. There is a national Dairy plan which has got three components primarily. The genetics of the cattle, we are not there, lot of institutes are working in, and academies are working in. Second important aspect is the nutritional aspect and third aspect is the management. Out of the three components, as per the national dairy plan, second component of nutritional aspect is very interesting and put entire negate of experts, I believe that many parts of Asia especially, they are investing lot in high genetics breed, like HF, Jersey etc... The farmers are paying huge amount of money. But their feeding habits are outdated, old. The nutritional aspect is the same. Just to put in a perspective, the farmers are buying, let’s say Mercedes car, but they are feeding the car with a kerosene mixed petrol. So as a result of that they are not getting ROI what they are supposed to do. We identify this as an opportunity for us.

 So for this segment in India and adjoining areas we surveyed that market, we realized that it is all delegated, all left to the small traders and regional players. Our Advanta team identified this as an opportunity; here is an area where we can bring lot of value. We launched a series of products like Makhan grass; nutri feed etc super premium products providing lot of nutritional aspect to the animals like protein etc. Another is drought tolerance; I think as frequency of drought increases, intensity of rain also increases. In other words let’s say in a four month’s time we have let’s say about 66 days are rainy days which are okay. But instead of 66 days rainy days, same amount of rain also sometime happens in 30 or 40 days. Now this kind of vagaries and uncertainty requires a plant standing in the field which can really withstand. And therefore our R&D is working on identifying the genes which can allow this. One example is, in India we launched a corn product called Pack 740 which performs the best, even when there is water stress scenario, about 20-22 quintal production can come out. This is the area which we are working quite strongly. Another way of tackling is a crop, let’s say corn if I give example need maturity of about 110 or 120 days, if you reduce this duration from let’s say 120 days to 10 days or let’s say 110 days to 100 days, so 10 days crop is not exposed to the vagaries of the uncertainty in the field. This also means a lot in de-risking the agriculture. So they are the approaches we are putting in as a breeding target for our scientists.

 Collaboration and Partnerships, as I indicated that our strength is what we leverage but then there are other areas, other competitors are good and if we also try to align with them. High Omega and protein grass seeds, for example here is a company called Baron Group from Netherland. This company has got 16 breeders working on breeding the grasses. Just imagine their specialization. We are not there but they are focused only on a couple of geography OECD. They are not around the world, we are around the world. And therefore we joined the hands and where ever Advanta is you know present and they are not present we are taking their genetics and marketing and branding it, so one example. Second example is Emi sour gram technology, we are tied up with BASF for Sour gram areas, RR canola we are tied up with Monsanto and already we launched in Australia and Soya bean genetics Dawn Mario – Brazil, here is a company which has got one of the highest diversity of the soya bean genetics and we tied up for them. We are also trying to test out in some other geography including India. Our focus you know product portfolio currently the crop which we are focusing are Green Sour gram, forages, corn canola, sunflowers, soya bean and vegetables.

 Differentiation through innovation advanced global R&D, we have 16 research stations and two bio-tech centres spread around the world. This is our engine of innovation in Advanta. Sagar indicated for UPL innovation rate is about 15 percent we have reached there. In Advanta that figure is about 28 percent as of now over three hundred environments with testing areas worldwide. Advanta has 60 years of research in plant genetics. Germplasm bag consists of proprietary developed Germplasm, Public excision in wild spaces, different sources of trade for the Biotic. Advanta seeds hybrids are suitable carrier of the added value technologies like GMs, chemical seeds, treatment, micro BL treatment and many other potential novel technologies. Now all the keywords we have put in here, you must have heard in Jai’s presentation and Sagar’s presentation and that is the area where we find a lot of bridge technology or area of synergy possibilities for us. As we know that seed treatment segment is improving, I mean growing quite fast. UPL is developing seed treatment novel products and Advanta seed can be a carrier. Advanta hybrid performance will be one of the drivers of the successful merger of Advanta and the UPL going forward.

 Going forward let’s say from 2006 and 2015, UPL was purely agro-chemical Company till 2005. February 6, we acquired Advanta, since then till 2014 company focussed on strategic acquisitions to build the global portfolio, establish global headquarter and leadership team. This is what we achieved in last 10 years. Going forward, we are going for full leveraging R&D, investment in R&D and innovation and newer geographies and new crops which we are going to expand now. And with the help of merger and amalgamation with UPL, I think this entire process which we intend to accelerate in 2016 and 2020. So thank you very much. Anand over to you...

Mr. Anand: So as you are all aware that we have announced the merger with Advanta. Advanta seeds merging into UPL, I’ll just take you through the slide we had presented earlier, sharing when we announced the merger and this essentially flex the synergies that we believe will help the seed business to grow exponentially at the same time it will benefit UPL. Just one more slide which is sharing the status of the merger as you would see we have already got approvals from the share holders for the merger. And now petition has been filed with the high court in Gujarat and we expect that over next two to three months we should be able to close the transaction. With this we end the presentation here and I would request the panellists to come up here with us so that we can take the Q and A. We will spend about 35 to 40 minutes on Q and A. Thank You very much.

 So Yeah, Mr. Shroff, Mr. Sagar, Mr. KRS, Mr. Bhupen Dubey can join us on the stage. Yeah! Can you just switch off the screen please? You can put this light on. Make these lights bright please.

Questioner: First Thanks a lot for the detail presentation. Sir! What I would like to understand is two years ago when we were you know in our communication, it appeared that the focus was to bring down the debt. But this year when we look at it, we have invested like about Rs. 1000 crores and we are talking more on the capex side. So if you can give more details on how much of capex is going to be spent in the next couple of years and you know the activities that you have said? Second is there a change in your think tank probably in the last year or so that today we are seeing a lot of growth, a lot of cash coming through that there is a need for capacities to back your growth? Can you also put it in context of the capacities that are there globally because that’s something that we are also hearing through the persons and through various media sources, there is enough capacities on the ground as far as agro chem is concerned, so whether this is really going to benefit and when it is going to benefit for us?

Mr. Shroff: So I think we as UPL you can see we are gaining market share in most markets and we believe that we will continue to gain market share. If you look at our margin, our gross margin level and our net margin levels also Abita levels we are much higher than our peer group. That margin is primarily because of the fact that we are able to gain market share, also we are able to be competitive when we need to be, we can take whatever business we really want and still make better margins than the peer groups. So we think that is a very strategic advantage. I think we believe that, investments side we will continue to invest about a 100 million or so in our manufacturing expansion. Because we do it so well, we believe that is equivalent to at least twice as much as our competitors get doing the same capacity. I mean yes and no, the last question which you asked is what about the global capacity? These are all specialized plants. These are not multi-purpose plants, so you can’t really say that there is “Yeah there is plant capacity” but can you make this and there is a lot of technology, there is lot of innovation. So if you see how our technology is evolved in manufacturing, I think in a five year period our same plant may look very different because we have innovated so much on improving efficiency, plant utilization technology, so we are constantly improving, constantly reducing costs. In some products we can reduce costs, in new projects for the first two three years, we can reduce up to 25 percent a year cost reduction and also have been able to gain market share. So this has been very critical advantage for us.

Answerer 2: Just to add further to what Mr. Shroff said this is also towards registration of our products and as we expand and grow, we are spending a fair amount of money on registration of new products across the I would say key agri territories. So that also investments continue to take place as we grow.

Mr. Shroff: And particularly all the proprietary technologies, all the patented products, we need to invest in regulatory packages

Answerer 3: Also actually the regulatory requirements are increasing; we also hear that is the global new regional news. Markets like Europe, they don’t grow so much as I have shown you. But if you see their requirements for the additional data is exponentially growing. Just to maintain the products, the industry has to spend almost more money than before. These are also part of the capexus.

Prakash: My name is Prakash. My compliments to the management for producing quite good results in very challenging times and the background. It would be interesting to know that share price of UPL has advanced by 50 percent in the last sixty days. I compliment the management for such excellent performance. Actually studying the UPL is not like studying an elephant but studying a dinosaur which I observe, which I experienced. Because there are so many multiples. And studying its impact on the price is more important for which the interaction level of the executives with the analysts can be improved I feel so, in terms of information, the knowledge and the explanations. I would demand the management for making some commitment some two and a half years ago, that turn-over of the company will be doubled, top line will be doubled around I think 2012 is a general statement as it is. So in that context how can reach a figure of Rs. 25,000 crores in the next one or two years. Is it by acquisition, strategic acquisitions which is a must or any other method? That is one. And what media shows, I have mentioned about one last issue which is very important to my heart and Mr. Shroff will appreciate it, Jai Shroff will appreciate it can we do something we talked about digital connectivity, Can we do something by prevention of suicide by farmers as a social measure by this leadership company? Admit this point in the ECM also. Thank You!

Mr. Shroff: I’ll start with your last question; I think that the UPDT technology is will impact this in a dramatic way. We believe that, the long dry spells; the impact on agriculture is tremendous. We think that we are working on; we are trying and testing the technology where e can, if you have a 30 to 45 days dry spell and it is 45 degrees, temperature. How it is going to impact? It does give an impact, but if it doesn’t rain, there is nothing you can do. The real impact is the cost of production, if the farmer goes continuously losing money and not able to improve his productivity then he loses money. So how do you do this, we think our UPGV technology will impact a lot. There is a big opportunity to impact. I mean we don’t say that exactly because every condition in every village and every area and every farmer is different, so you can’t, and I am not talking about suicide as such but lot of farmers go through lot of stress. So if you, what we believe is that if we can reduce their risk then we can really reduce the possibility of you know their going through of any kind of bankruptcy situation which eventually leads to all kinds of things, not only suicide. So that’s the other thing. Other thing we are just piloting some insurance schemes for high impact disease and we are launching it with our AFS farmers. And last year cotton farmers in Punjab were dramatically impacted. We’ve been able to work out some insurance products with the insurance companies for certain impact, high impact disease where he could cover his cost. So at least if he, the farmer goes through the situation of absolute loss at least he can pay his bills and little bit of profit, so he doesn’t go into a dead trap. So we are working on various pilot models and we think then in few years we should be able to do that.

Questioner: You could say something about mergers and acquisitions strategy, to reach the target of 22 to 24 thousand crores turn over by 2018, if we consider even 2013 as a year of promise and then its four years, we had a plan to double the turn over, could you say something on that? Because our top line will be 15,000 crores after acquisition of Advanta, which is about 13,000 crores today, so it will exceed 15,000 crores, so next how much do we expect?

Mr. Shroff: We you know our stated number is we will grow 12 to 15 percent depending on the year. I think in turns of volume we’ve grown 17 percent, so we are on track to double our business, you know we have done it in the last 20 years, every four five years we double our business, we think that if we can continue to grow at that rate.

Questioner: Thank you.

Answerer: There is one more comment I wanted to make with regard to the question you asked on the farmer’s suicide, etc. See I think another initiative is which is coming out of the learning is that India has such a serious drought during the last year and also the last to last year was very less. But what we have understood that in our own business our vegetable seed business has not been effective. Actually during even the drought year our business of vegetable has grown significantly higher. So we believe that we will take some more initiative in the drought prone areas of Maharashtra and Gujarat and using our seed potential for the vegetable we are very strong player. And we will like to really take certain territories because with the vegetable farming, the cash return to the farmer is rather pretty quick. So at least there is one stream of income which is available to the farmers, you know besides the long term crops of the field crops. So we will take some, such initiatives in the support of drought proofing the business and if we have to drought proof the business we should make an attempt to drought proof the farmers as well.

Questioner: Good evening everybody, ICICI prudential, just wanted to check regarding Brazil, one of the things we had mentioned that I think it is a 10 or 12 billion agro-chem market and from the current sales I think we have around 700 million dollars sales there. So given what is the market share there, how fast can we grow? Because this year we had a very strong growth, is it repeatable in the next couple of years?

Answerer: Carlos, We have our Brazil, Latin America - yeah.

Carlos: It is, our platform there and our strategy there it is quite well designed in terms of momentum and process. See this year the market in Brazil has decreased significantly from last year. I see 14 to 15 we have about 18 to 20 percent decrease in market, because of exchange rate and because of many reasons. And we have been the unique company whichever grows in Brazil and we grew in a big way last year. And the sustainability of this growth will be kept in the next years because we have tremendous portfolio to be launched. We have an incredible pipeline. It is the investment what we have done in the last ten years. But it is coming through now. See in the last three years we have been the most successful company getting registrations in Brazil and we expect that to be one of the most successful company in getting new registrations in new products, investing in the registration. As Sagar mentioned and Jai has said we have implemented our labs, our future stations, our screening lab in Brazil to develop the new technology. You see the number of products to be launched in the next years and increase penetration of our new technologies for rust control; I believe we will deliver very good results in Brazil in the next five years. We have applied for registration of about 20 products last year. And we expect to apply another 20 this year. And this is a long process. But if we apply every year we have new products coming. And this is our goal and ME-II products towards Brazil represents a very small portion today of our sales. In about 3 years we have a shift from ME-II to a very innovate product portfolio in Brazil. And we are quite optimistic about the new product launch in the next years. And this year as Sagar mentioned and Jai said we will launch our BATUS gold, which is a very impressive product insecticide which will control white flies, control bolivo, control some very special weeds and insects which we are eager of again.

Questioner: Just to take on from what you were saying, this year FI-15 markets declined 20 percent. So what was the size of the total agro-chem market in Brazil?

Carlos: The size of this year was about 10 billion dollars in 2015. About ten billion dollars.

Questioner: And in terms of gross debt and net debt how did we close the year?

Carlos: Yeah,

Answerer: Some financial assets. Yeah so basically gross debt was at Rs. 4298 crores and net debt was at Rs. 3230 crores.

Questioner: And the same numbers last year?

Answerer: Same numbers last year were the net debt was Rs. 2363 crores, so there is an increase by about Rs. 863 crores.

Questioner: This is likely related to working capital?

Answerer: No this is related to some of the investments we have done. As you are aware, we bought 40 percent stake in the Brazilian subsidiary, in Synagro sorry, Brazilian distributor Synagro. So some investments were there, some investments were towards payout for, when we increased our stake from UPL to Brazil from 73 to 100 percent.

Questioner: And just one last one is that is if Brazil is now one-third of the sales and Brazil keeps...

Answerer: No Latin America

Questioner: Latin America, so if that portion increases should we assume that the working capital intensity will increase, will get more working capital?

Answerer: Well we are trying to find some solutions around those, but at this juncture I would say you shouldn’t be surprised if it goes up by three-four days. From current 191 days we could end up with 193 to 195 days.

Questioner: Thank you

Answerer: You know and also our expectation is that India would recover. With the so far announced, there the working capital, India and also part of the US, California area. So with the positive outlook of the, you know these markets, I think these are the short term working capital consuming markets. Some kind of hedge effect.

Questioner: Thank you so much.

Questioner: Hi, I had a question on Latin America, Mr. Koushik do you feel pointed towards the foot print that UPL has in Latin America and is a young player. Would it be possible to give some sense on what can be the foot print we have in Latin America in terms of say of all the regions that are there, where we are present, where we can go and also the crop segments.

Answerer: So we have the regional director from Latin America

Answerer: In Latin American in spite of our Brazil, we have business in 26 countries in Latin America, but we have different heads in five regions. One is Mexico, which is our largest region there in Latin America. Also we have in Central America and Costa Rica, we have our head and we are taking care particularly in Bananas. Then we have the Andean regions, which is the main crop there is Rice. And then we have in the southern part of Latin America which is Argentina, we are mainly focus on Soya Bean and Corn. That’s our foot print in Latin America.

Questioner: Yeah and if I could just extend that question for US as well, so from what I understand, we were not fully present in mid-west earlier, so now you know what is the potential that we have, can we grow more than the market in US and also again in Latin America.

Answerer: Shall we have Mr. Vincent here who heads our US business.

Mr. Vincent: Hi, good evening. Yes we have a strong presence in what we call as Horse shoes, with a decent portfolio in the horse shoe, buying in some cotton. And we have increased our foot in the mid-west, so this will allow us in conjunction with our portfolio, that is growing and fits in to the mid-west will allow us to continue to grow in USA. We have grown our presence there and we grown our market share in USA. So yes we are growing in North America.

Questioner: Thanks and just one last one, what will be the guidance in constant currency? Are we giving out a guidance next year?

Answerer: Yeah, we would be giving a revenue guidance of between 12 to 15 percent and EBITA margin improvement of about 60 to 100 basis point. And working capital we expect to be between the range of 90 t0 110 days.

Questioner: Thanks a lot.

Questioner: With respect to this guidance, you know last year was a challenging year and you know you grew much better. And now we see the impact, effect of ELNINO fading out, despite that this 12 to 15 percent you think this is a conservative guidance or you think that’s going to be?

Answerer: Agriculture is a dangerous business. If there is no Erlino there is some other Lino. So we have to, I think that’s a big growth for us. We’ve grown 10 percent this year, so 12 to 15 percent is a good number. I am not sure the guidance from our most of our global competitors is not much growth, so we will gain market share in most markets. So I think it’s a good guidance. If seasons are better, it will be better, you know there can always be weather and commodities and climate has such a big impact on us. You could have a slightly better, slightly worse.

Questioner: You are putting up significant amount of production capacities, so when do you think the impact of these production capacities will kick in terms of revenues?

Mr. Shroff: I think the impact will be in the next, I mean this not really for much capacity for, I mean little bit will kick in this year but mostly the impact will be in 2017-2018

Questioner: Thanks

Mr. Shroff: We had substantial capexus even last year. So even those will kick in for this year...

Mr. Anand: We have one question there and may be one after that and may be then probably you can join us for high tea and most of our global management is here, you can interact with them. We will of course be here, we will be happy to interact. But go ahead

Girish: Thanks for the opportunity. Girish from Mohit Stanely. Just wanted your thoughts around return on capital employed over the next couple of years especially when we merge Advanta as well and any thoughts around dividend policy would be appreciated.

Mr. Anand: See we have continuously over the last three years improved return on capital employed and we believe that with this our business model and with the merger of Advanta we don’t see much change in , I would say target for working capital. We believe this business model can help us to deliver anyway 23 to 25 percent at the return of capital employed over the next three to five years.

Mr. Shroff: And the dividend policy we have, increased already in the last two years and I think the board quite keen to continue that strategy

Mr Anand: One last question yeah!

Chirag: Hi! This is Chirag here. So this industry seems to be consolidating last year’s you know merging among themselves, how does this change UPL’s positioning both in terms of the opportunities of products you know they might have to diversify one, If you can share any specifics there? Secondly in terms of the competitive intensity of the, this industry how do you think this will behave over the next three five years?

Answerer: I think short term it’s a fantastic opportunity because we feel that there is a lot of distraction in these mega mergers. So short term, we believe that over the next two-three years we’ll have an opportunity to get good talent, get good market share because these guys will go through the normal process of integration. Competitive intensity I don’t see that is much of an issue. We believe that UPL is well positioned to be very-very competitive. And we believe that our margins and most segments are better than others. I don’t know, I don’t think that should be much of an issue. I at least in the next 36 months I don’t see much issue. I think this is a big distraction for the companies when they are going through the integration. And even big companies, even medium sized companies have had there is a lot of [1.49.12]... going on and so.

Questioner: Will there be any divestment opportunities?

Answerer: Yes, good question, we have the global foot print we want. There will be some synergistic products which may be available. And we will look at them selectively. We always are looking at all the opportunities available and then if it fits our portfolio strategy, we do acquire products as we have done in the past. But that’s not something which we are betting on our growth. Our growth strategy is independent of that, if we buy something then we will obviously add on that to the growth, but it’s not something which we are running after. Something exciting comes and we believe that we can create higher value than what we are buying then we will look at buying otherwise.

Questioner: Thank you so much. If I can squeeze one question on the India business, if you can give us some context of the contribution from the patented products or exclusive products or you know where we have some sort of exclusivity, in the overall context of this 25,000 crore business, how big is this speciality or patented or you know exclusivity kind of products?

Answerer: I think India as Sagar indicated in the slide, India is a very business model whereby we have four channels. And each channel is addressing different segment of the market. So high end is the UPL brands, so which has a significant business coming out of the speciality as well as patented products. Let’s say just to put some number maybe more than one third or so. Another channel which we have is the SWAL channel, which we are basically addressing a very competitive market space, whereby there is a brand approach but also we do not want to lose our core competence of being remaining competitive in a hyper generic market. So that is the SWAL part of it. And third is the bulk N tech, which also addresses P to P business. So in totality I would say it would be about 28 – 29 percent, coming out of the exclusive another patented product category, like Lancer Gold, like Ooh-la-la, like SAF etc.

Questioner: Thank you so much.

Questioner: Hello sir, Chinnu from Tata AIA, your innovation rate we have seen has gone up drastically from 2.5 percent in FY-2014 to 5 percent then 14 percent. What would have been the commensurate increase say in the R&D spend that you would have done or in the number of people who are working in this field and also has this strategy benefitted you significantly?

Answerer: So I mean the innovation rate is the factor of the new products and how they grow in the next four years, so that is how we calculate, so our now a definition of new products remain for one plus four years. So therefore the highest potential of the new products we believe will be in the fifth year where it reaches the maturity. So with that we expect that we reach the peak and then you will see that in the sixth year that new products taken out, that becomes the regular part of the portfolio. So you need to be ready to promote one more product to take over the peak sales of one product which will come out. So I think it is a raise, it is a pipeline that we need to really continue. That is question number one. The other part of the answer would be that what you see in 15 percent in our part of the portfolio, I think the continuation from Latin America part is much higher than the other regions. So it will happen that after two years. Because the contribution from the other region also will strengthen, so therefore this continuity will be there and so it has been our investment. Our investment in Brazil has been high, Latin America has been high, we will catch up with Asia, and we are catching up significantly in India. So I think this process continues and with or without investment you don’t see the innovation anyhow. So that’s the continuity. Now in terms of the infrastructure also we mentioned you know for the synthesis, formulation development, we don’t do this work only in India. We very much believe that the innovation it needs to be in the proximity of the market place where the product will be applied. To understand how the product is applied or illustrated, to be very closer to the proximity of the market. So here in India we have quite number of resources in Europe, we have in the US and in the Latin America. So these are, there is a diversification of the RND facilities and the investment which has happened in the last three four years.

Questioner: Do you give any number to your RNDs spent as a percent sales or absolute?

Answer: Yeah so if you do not include the regulatory part which, because that is capitalized, so I think about 2 to 2.5 percent

Questioner: Thank You

Mr. Anand: So thank you very much Ladies and gentlemen! Thanks for joining us for the capital market day. Please join us for some hi tea and some light snacks. Our entire management team as well as panel will be present for that. Thank You!

**-------------------END OF THE TALK-----------------**